Government of Saskatchewan

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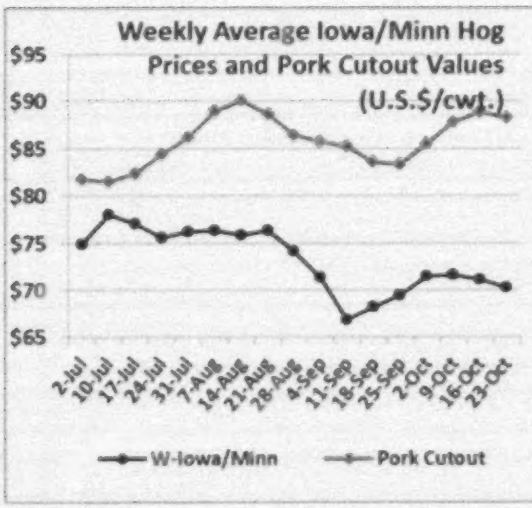
Weekly Hog Report

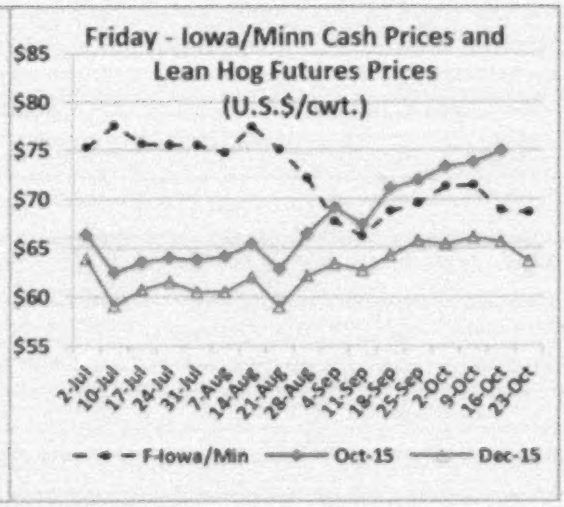
October 26, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were overall steady early in the week before moving lower to edge lower, week-over-week. Hog prices on Friday October 23 averaged US$68.48 per cwt, down US$0.34 per cwt from US$68.82 per cwt the previous Friday. The negotiated base price last week averaged US$70.07 per cwt, down US$1.00 per cwt or 1.4 per cent from US$71.07 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

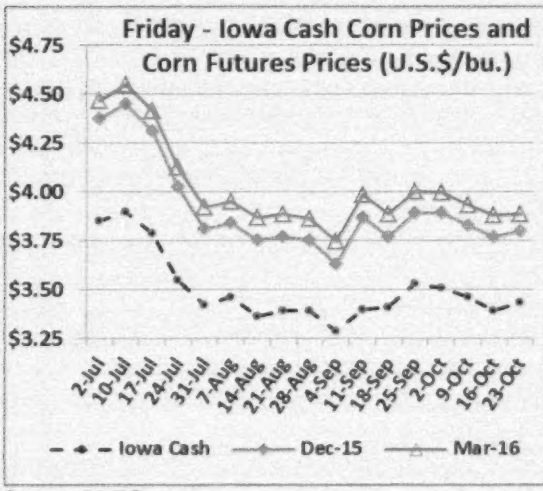
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday Oct. 23, 2015 was $166.78 per ckg, up $0.74 per ckg or 0.4 per cent from $166.04 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $166.65 per ckg, down $2.90 per ckg or 1.7 per cent from the previous weeks' average price of $169.55 per ckg. The Canadian dollar moved lower later in the week declining 1.55 cents to close Friday at 75.90 cents; down from the previous Friday's close of 77.45 cents.

Futures Markets

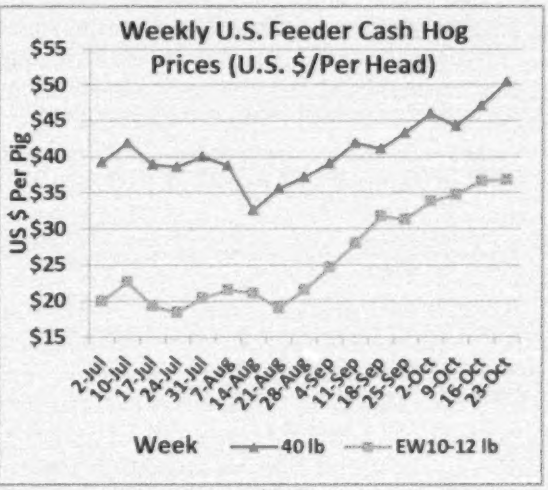
United States Lean hog futures daily prices were mixed last week but primarily lower at the end of the week to settle lower, week-over-week. The nearby December contract declined US$1.975 per cwt to settle Friday at US$63.600 per cwt, while the February 2016 contract declined US$2.300 per cwt to settle Friday at US$66.150 per cwt. Current cash hog prices are almost US$5 per cwt above the December lean hog futures contract, and over $2 per cwt higher than the February 2016 futures contract.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were overall higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$36.84 per head, relatively steady (US$+0.11 per head) from US$36.73 per head the previous week. Feeders (40lb) were US$50.34 per head, up $3.24 per head from US$47.10 per head the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices edged higher last week increasing four cents to settle Friday at US$3.43 per bushel. Corn futures prices also increased last week edging overall higher, week-over-week. The December corn futures contract increased three cents over the week to settle Friday at $3.79¾ per bushel, while the March 2016 contract only increased one cent to settle Friday at $3.88¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 24 were estimated at 2.317 million head, down slightly from 2.318 million head the previous week, but up 8.1 per cent from 2.144 million head the same week a year ago. Weekly pork production was estimated at 487.4 million lb. last week, the highest weekly production since February 2015. Lower hog weights in 2015 have helped reduce pork production increases relative to increased hog slaughter numbers. U.S. hogs slaughtered over the last four weeks ending October 24 averaged 2.299 million head per week, up 7.5 per cent from 2.139 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter holiday week ending October 17, 2015 were estimated at 355,009 head, down 14.1 per cent from 413,541 head the previous week, and down 0.3 per cent from 356,021 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending October 17, 2015, were estimated to average 401,991 head, up 1.6 per cent from 395,727 head over the same period a year ago. Year-to-date, Canadian hogs slaughtered are estimated at 16.737 million head, up 2.7 per cent from 16.301 million head over the same period in 2014.

Meat Production

U.S. pork production for the week ending October 24, 2015 was estimated at 487.4 million lb., up slightly from 486.7 million lb. the previous week, and up 6.3 per cent from 458.6 million lb. the same week a year ago. Pork production over the last four week's ending October 24 was estimated to average 483.4 million lb., up 6.0 per cent from 456.6 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 24 was estimated at 471.4 million lb., down 3.0 per cent from 485.5 million lb. the previous week, and down 1.3 per cent from 477.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 17, 2015, was estimated to average 2.091 billion lb., up 3.8 per cent from 2.015 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.8 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Oct. 17) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	453.1	481.6	6.3%	7.8%
Beef	468.8	480.8	2.6%	-3.2%
Chicken	951.3	1,001.0	5.2%	6.6%
Turkey	142.2	127.7	-10.2%	-4.4%
Total	**2,015.4**	**2,091.1**	**3.76%**	**3.78%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending October 24, 2015 averaged US$88.22 per cwt, down US$0.57 per cwt or 0.6 per cent from US$88.79 per cwt the previous week, and down 13.6 per cent from US$102.09 per cwt from a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending October 24, 2015 averaged US$216.03 per cwt, up US$6.57 per cwt or 3.1 per cent from US$209.46 per cwt the previous week, but down 13.4 per cent from US$249.50 per cwt the same week a year ago.

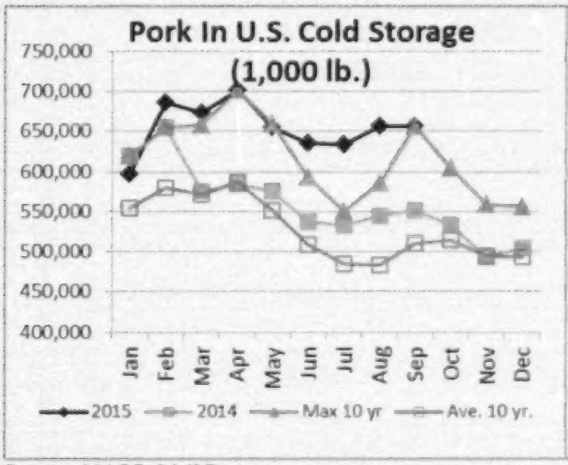
Average chicken cutout values (breast) for the week ending October 24, 2015 averaged US$106.61 per cwt, down US$3.34 per cwt from US$109.95 per cwt the previous week, and down 33.6 per cent from US$160.45 per cwt the same week a year ago.

Meat In U.S. Cold Storage

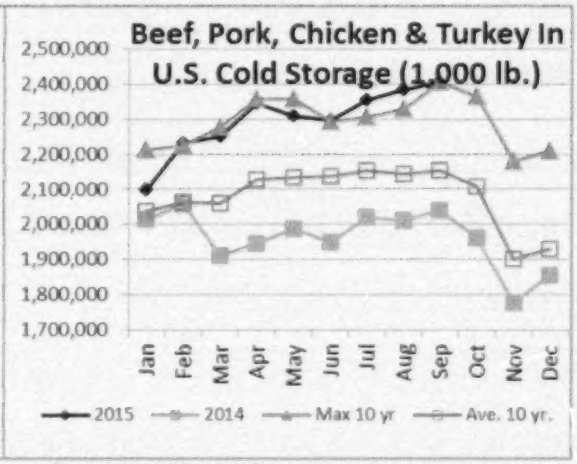
USDA released the latest U.S. cold storage numbers on October 22. The United States' pork stocks in cold storage totaled 656.4 million lb. on September 30, 2015, up slightly from 656.3 million lb. on August 31, 2015, but up 19.2 per cent from 550.6 million lb. a year ago on September 30, 2014. Hams and ribs in cold storage are significantly higher than year ago levels, while bellies are lower. U.S. pork stocks in cold storage are above the maximum levels (last 10 yr.) for September, and currently in the upper end of historical inventory levels.

The United States' beef stocks in cold storage totaled 496.4 million lb. on September 30, 2015, up 5.5 per cent from 470.5 million lb. on August 31, 2015, and up 31.3 per cent from 378.2 million lb. on September 30, 2014. U.S. beef stocks in cold storage are above the average ten year highs for September.

United States combined pork. beef, chicken and turkey stocks in cold storage totaled 2.406 billion lb. on Sept. 30, 2015, up 0.9 per cent from 2.384 billion lb. on August 31, 2015, and up 18.0 per cent from 2.039 billion lb. on September 30, 2014. Total U.S. meat in cold storage for September 2015 is above the maximum storage level over the last ten years.



Source: NASS, LMIC



Source: NASS, LMIC

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